(*b*) where the property to which the claim or objection applies has been advertised for sale, the Tax Recovery Officer ordering the sale may postpone it, pending the investigation of the claim or objection, upon such terms as to security, or otherwise as the Tax Recovery Officer shall deem fit;

(*c*) the claimant or objector shall adduce evidence to show—

(*i*) in the case of immovable property, at the date of the service of the notice issued under this rule to pay the arrears; or

(*ii*) in the case of movable property, at the date of the attachment,

that he had some interest in, or was possessed of, the property in question.

(*d*) where, upon the said investigation, the Tax Recovery Officer is satisfied that, for the reason stated in the claim or objection, such property was not, at the said date, in the possession of the defaulter or of some person in trust for him, or in the occupancy of a tenant or other person paying rent to him, or that, being in the possession of the defaulter at the said date, it was so in his possession, not on his own account or as his own property, but on account of or in trust for some other person, or partly on his own account and partly on account of some other person, the Tax Recovery Officer shall make an order releasing the property, wholly or to such extent as he thinks fit, from attachment or sale;

(*e*) where the Tax Recovery Officer is satisfied that the property was, at the said date, in the possession of the defaulter as his own property and not on account of any other person, or was in the possession of some other person in trust for him, or in the occupancy of a tenant or other person paying rent to him, the Tax Recovery Officer shall disallow the claim; and

(*f*) where a claim or an objection is preferred, the party against whom an order is made may institute a suit in a Civil Court to establish the right, which he claims to the property in dispute; but, subject to the result of such suit (if any), the order of the Tax Recovery Officer shall be conclusive.

(12) ***Removal of attachment on satisfaction or cancellation of certificate*****:**

Where—

(*a*) the amount due, with costs and all charges and expenses resulting from the attachment of any property or incurred in order to hold a sale, are paid to the Tax Recovery Officer; or

(*b*) the certificate is cancelled,

the attachment shall be deemed to be withdrawn and, in the case of immovable property, the withdrawal shall, if the defaulter so desires, be proclaimed at his expense, and a copy of the proclamation shall be affixed in the manner provided in this rule for a proclamation of sale of immovable property;

(13) ***Officer entitled to attach and sell*****:** The attachment and sale of movable property and the attachment and sale of immovable property may be made by such persons, as the Tax Recovery Officer may from time to time direct.

(14) ***Defaulting purchaser answerable for loss on resale*****:** Any deficiency of price, which may happen on a resale by reason of default of the purchaser, and all expenses incurred in connection to such resale, shall be certified to the Tax Recovery Officer by the officer holding the sale, and shall, at the instance of either the Tax Recovery Officer or the defaulter, be recoverable from the defaulting purchaser under the procedure prescribed in this rule, but no such application shall be entertained unless filed within fifteen days from the date of resale.

(15) ***Adjournment or stoppage of sale*****:**

(*a*) The Tax Recovery Officer may, in his discretion, adjourn any sale hereunder to a specified day and hour; and the officer conducting any such sale may, in his discretion, adjourn the sale, recording his reasons for such adjournment, but where the sale is made in, or within the precincts of, the office of the Tax Recovery Officer, no such adjournment shall be made without the leave of the Tax Recovery Officer.

(*b*) where a sale of immovable property is adjourned under clause (*a*) for a longer period than one calendar month, a fresh proclamation of sale in this rule shall be made unless the defaulter consents to waive it;

(*c*) every sale shall be stopped if, before the lot is knocked down, the arrears and costs (including the costs of the sale) are tendered to the officer conducting the sale, or proof is given to his satisfaction that the amount of such arrears and costs has been paid to the Tax Recovery Officer, who ordered the sale.

(16) ***Private alienation to be void in certain cases*****:**

(*a*) Where a notice has been served on a defaulter under sub-rule (2), the defaulter or his representative in interest shall not be competent to mortgage, charge, lease or otherwise deal with any property belonging to him, except with the permission of the Tax Recovery Officer, nor shall any Civil Court issue any process against such property in execution of a decree for the payment of money; and

(*b*) where an attachment has been made under this rule, any private transfer or delivery of the property attached or of any interest therein and any payment to the defaulter of any debt, dividend or other moneys contrary to such attachment, shall be void as against all claims enforceable under the attachment.

(17) ***Prohibition against bidding or purchase by officer*****:** No officer or other person having any duty to perform in connection with any sale under this rule shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property sold.

(18) ***Prohibition against sale on holidays*****:** No sale in this rule shall take place on a Sunday or other general holiday recognised by the State Government or on any day, which has been notified by the State Government to be a local holiday for the area in which the sale is to take place.

(19) ***Assistance by police*****:** Any officer authorised to attach or sell any property or to arrest the defaulter, or charged with any duty to be performed in this rule, may apply to the officer-in-charge of the nearest police station for such assistance as may be necessary in the discharge of his duties, and the authority to whom such application is made, shall depute sufficient number of police officers for providing such assistance.

(20) ***Entrustment of certain functions by Tax Recovery Officer*****:** A Tax Recovery Officer may, with the previous approval of the Joint Commissioner, entrust any of his functions as the Tax Recovery Officer to any other officer lower than him in rank (not being lower in rank than an Inspector of Income-tax) and such officer shall, in relation to the functions so entrusted to him, be deemed to be a Tax Recovery Officer.

(21) ***Warrant and service of copy of warrant*****:** Except as otherwise provided in this rule, when any movable property is to be attached, the officer shall be furnished by the Tax Recovery Officer (or other officer empowered by him in that behalf), a warrant in writing and signed with his name specifying the name of the defaulter and the amount to be realised and the officer shall cause a copy of the warrant to be served on the defaulter.

(22) ***Attachment*****:** If, after service of the copy of the warrant, the amount is not paid forthwith, the officer shall proceed to attach the movable property of the defaulter.

(23) ***Property in possession of defaulter*****:** Where the property to be attached is a movable property (other than agricultural produce) in the possession of the defaulter, the attachment shall be made by actual seizure, and the officer shall keep the property in his own custody or the custody of one of his subordinates and shall be responsible for due custody thereof, but when the property seized is subject to speedy and natural decay or when the expense of keeping it in custody is likely to exceed its value, the officer may sell it at once.

(24) ***Agricultural produce*****:**

(*a*) Where the property to be attached is agricultural produce, the attachment shall be made by affixing a copy of the warrant of attachment,—
  (*i*) where such produce is growing crop, on the land on which such crop has grown, or
  (*ii*) where such produce has been cut or gathered, on the threshing floor or place for treading out grain or the like, or fodder-stack, on or in which it is deposited,
  and another copy on the outer door or on some other conspicuous part of the house in which the defaulter ordinarily resides, or with the leave of the Tax Recovery Officer, on the outer door or on some other conspicuous part of the house in which he carries on business or personally works for gain, or in which he is known to have last resided or carried on business or personally worked for gain; and

(*b*) the produce shall, thereupon, be deemed to have passed into the possession of the Tax Recovery Officer.

(25) ***Provisions as to agricultural produce under attachment*****:**

(*a*) Where agricultural produce is attached, the Tax Recovery Officer shall make such arrangements for the custody, watching, tending, cutting and gathering thereof, as he may deem sufficient and he shall have power to defray the cost of such arrangement;

(*b*) subject to such conditions, as may be imposed by the Tax Recovery Officer in this behalf, either in the order of attachment or in any subsequent order, the defaulter may tend, cut, gather and store the produce and do any other act necessary for maturing or preserving it and, if the defaulter fails to do all or any of such acts, any person appointed by the Tax Recovery Officer in this behalf may, subject to the like conditions, do all or any of such acts, and the costs incurred by such person shall be recoverable from the defaulter as if they were included in the certificate;

(*c*) agricultural produce attached as a growing crop shall not be deemed to have ceased to be under attachment or to require re-attachment merely because it has been severed from the soil;

(*d*) where an order for the attachment of a growing crop has been made at a considerable time before the crop is likely to be fit to be cut or gathered, the Tax Recovery Officer may suspend the execution of the order for such time as he thinks fit, and may, in his discretion, make a further order prohibiting the removal of the crop pending the execution of the order of attachment; and

(*e*) a growing crop which from its nature does not admit of being stored shall not be attached under this rule at any time less than twenty days before the time at which it is likely to be fit to be cut or gathered.

(26) ***Debts and shares, etc.*****:**

(*a*) In the case of—
  (*i*) a debt not secured by a negotiable instrument; or
  (*ii*) a share in a corporation; or
  (*iii*) other movable property not in the possession of the defaulter, except property deposited in, or in the custody of, any court,
  the attachment shall be made by a written order prohibiting, —
  (*A*) in the case of the debt, the creditor from recovering the debt and the debtor from making payment thereof until the further order of the Tax Recovery Officer;
  (*B*) in the case of the share, the person in whose name the share may be standing from transferring the same or receiving any dividend thereon; and
  (*C*) in the case of any other movable property, the person in possession of the same from giving it over to the defaulter;

(*b*) a copy of such order shall be affixed on some conspicuous part of the office of the Tax Recovery Officer, and another copy shall be sent, in the case of the debt, to the debtor, in the case of the share, to the proper officer of the corporation, and in the case of any other movable property, to the person in possession of the same; and

(*c*) a debtor prohibited under sub-rule (26)(*a*)(*iii*)(*A*), may pay the amount of his debt to the Tax Recovery Officer, and such payment shall discharge him as effectually as payment to the party entitled to receive the same.

(27) ***Attachment of decree—***

(*a*) The attachment of a decree of a Civil Court for the payment of money or for sale in enforcement of a mortgage or charge, shall be made by the issue of a request to the Civil Court in writing to stay the execution of the decree until and unless—
  (*i*) the Tax Recovery Officer withdraws such request; or
  (*ii*) the Tax Recovery Officer or the defaulter applies to the Court receiving such request to execute the decree;

(*b*) where a Civil Court receives an application under clause (*a*)(*ii*), it shall, on the application of the Tax Recovery Officer or the defaulter and subject to the provisions of the Code of Civil Procedure, 1908 (5 of 1908), proceed to execute the attached decree and apply the net proceeds in satisfaction of the certificate.

(*c*) the Tax Recovery Officer shall be deemed to be the representative of the holder of the attached decree, and to be entitled to execute such attached decree in any manner lawful for the holder thereof.

(28) ***Share in movable property*****:** Where the property to be attached consists of the share or interest of the defaulter in movable property belonging to him and another as co-owners, the attachment shall be made by a notice to the defaulter prohibiting him from transferring the share or interest or charging it in any way.

(29) ***Salary of Government servants*****:** Attachment of the salary or allowances of servants of the Government or a local authority may be made in the manner provided, in rule 48 of Order 21 of the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908), and the provisions of the said rule shall, for the purposes of this rule, apply subject to such modifications, as may be necessary.

(30) ***Attachment of negotiable instrument*****:** Where the property is a negotiable instrument not deposited in a court nor in the custody of a public officer, the attachment shall be made by actual seizure, and the instrument shall be brought before the Tax Recovery Officer and held subject to his orders.

(31) ***Attachment of property in custody of court or public officer*****:** Where the property to be attached is in the custody of any court or public officer, the attachment shall be made by a notice to such court or officer, requesting that such property, and any interest or dividend becoming payable thereon, may be held subject to the further orders of the Tax Recovery Officer by whom the notice is issued, but if such property is in the custody of a court, any question of

title or priority arising between the Tax Recovery Officer and any other person, not being the defaulter, claiming to be interested in such property by virtue of any assignment, attachment or otherwise, shall be determined by such court.

(32) ***Attachment of partnership property*****:**

(*a*) Where the property to be attached consists of an interest of the defaulter, being a partner, in the partnership property, the Tax Recovery Officer may make an order charging the share of such partner in the partnership property and profits with payment of the amount due under the certificate, and may, by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct accounts and inquiries and make an order for the sale of such interest or such other order as the circumstances of the case may require; and

(*b*) the other persons shall be at liberty at any time to redeem the interest charged, or in the case of a sale being directed, to purchase the same.

(33) ***Inventory*****:** In the case of attachment of movable property by actual seizure, the officer shall, after attachment of the property, prepare an inventory of all the property attached, specifying in it, the place where it is lodged or kept, and shall forward the same to the Tax Recovery Officer and a copy of the inventory shall be delivered by the officer to the defaulter.

(34) ***Attachment not to be excessive*****:** The attachment by seizure shall not be excessive, that is to say, the property attached shall be as nearly as possible proportionate to the amount specified in the warrant.

(35) ***Seizure between sunrise and sunset*****:** Attachment by seizure shall be made after sunrise and before sunset and not otherwise.

(36) ***Power to break open doors, etc.*****:**

(*a*) If admission is not given, the officer may break open any inner or outer door or window of any building and enter any building in order to seize any movable property, where the officer has reasonable grounds to believe that such building contains movable property liable to seizure under the warrant and the officer has notified his authority and intention of breaking open; and

(*b*) the officer shall give all reasonable opportunity to women to withdraw.

(37) ***Sale*****:** The Tax Recovery Officer may direct that any movable property attached under this rule or such portion thereof as may seem necessary to satisfy the certificate, shall be sold.

(**38)** ***Issue of proclamation*****:** When any sale of movable property is ordered by the Tax Recovery Officer, the Tax Recovery Officer shall issue a proclamation, in the language of the district, of the intended sale, specifying the time and place of sale and whether the sale is subject to confirmation or not.

(39) ***Proclamation how made*****:**

(*a*) The proclamation shall be made by any customary mode, —

(*i*) in the case of property attached by actual seizure—

(*A*) in the village in which the property was seized, or, if the property was seized in a town or city, then, in the locality in which it was seized; and

(*B*) at such other places as the Tax Recovery Officer may direct;

(*ii*) in the case of property attached otherwise than by actual seizure, in such places, if any, as the Tax Recovery Officer may direct; and

(*b*) a copy of the proclamation shall also be affixed in a conspicuous part of the office of the Tax Recovery Officer.

(40) ***Sale after fifteen days*****:** Except where the property is subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, no sale of movable property under this rule shall, without the consent in writing of the defaulter, take place, until after the expiry of at least fifteen days calculated from the date on which a copy of the sale proclamation was affixed in the office of the Tax Recovery Officer.

(41) ***Sale of agricultural produce*****:**

(*a*) Subject to provisions of clause (*b*), where the property to be sold is agricultural produce, the sale shall be held, —

(*i*) if such produce is a growing crop, on or near the land on which such crop has grown; or

(*ii*) if such produce has been cut or gathered, at or near the threshing floor or place for treading out grain or the like, or fodder-stack, on or in which it is deposited;

(*b*) the Tax Recovery Officer may direct the sale to be held at the nearest place of public resort, if he is of opinion that the produce is thereby likely to sell to greater advantage;

(*c*) where on the produce being put up for sale, —

(*i*) a fair price, in the estimation of the person holding the sale, is not offered for it; and

(*ii*) the owner of the produce, or a person authorised to act on his behalf, applies to have the sale postponed till the next day or, if a market is held at the place of sale, the next market day,

the sale shall be postponed accordingly, and shall be then completed, whatever price may be offered for the produce.

(42) ***Special provisions relating to growing crops*****:**

(*a*) Where the property to be sold is a growing crop and the crop from its nature admits of being stored but has not yet been stored, the day of the sale shall be so fixed as to admit of the crop being made ready for storing before the arrival of such day, and the sale shall not be held until the crop has been cut or gathered and is ready for storing; and

(*b*) where the crop from its nature does not admit of being stored, or can be sold to a greater advantage in an unripe stage, such as, green wheat, it may be sold before it is cut and gathered, and the purchaser shall be entitled to enter on the land, and to do all that is necessary for the purpose of tending or cutting or gathering the crop.

(43) ***Sale to be by auction*****:** The property shall be sold by public auction in one or more lots, as the officer may consider advisable, and if the amount to be realised by sale is satisfied by the sale of a portion of the property, the sale shall be immediately stopped with respect to the remainder of the lots.

(44) ***Sale by public auction*****:**

(*a*) Where movable property is sold by public auction, the price of each lot shall be paid at the time of sale, or as soon after as the officer holding the sale directs, and in default of payment, the property shall forthwith be resold;

(*b*) on payment of the purchase-money, the officer holding the sale shall grant a certificate specifying the property purchased, the price paid and the name of the purchaser, and the sale shall become absolute; and

(*c*) where the movable property to be sold is a share in goods belonging to the defaulter and a co-owner and two or more persons, of whom one is such co-owner, respectively, bid the same sum for such property or for any lot, the bidding shall be deemed to be the bidding of the co-owner.

(**45)** ***Irregularity not to vitiate sale, but any person injured may sue*****:** No irregularity in publishing or conducting the sale of movable property shall vitiate the sale, but any person sustaining substantial injury by reason of such irregularity due to any other person may institute a suit in a civil court against such other person for compensation, or (if such other person is the purchaser) for the recovery of the specific property and for compensation in default of such recovery.

(**46)** ***Negotiable instruments and shares in a corporation*****:** Irrespective of anything contained in this rule, where the property to be sold is a negotiable instrument or a share in a corporation, the Tax Recovery Officer may, instead of directing the sale to be made by public auction, authorise the sale of such instrument or share through a broker;

(**47)** ***Order for payment of coin or currency notes to the Assessing Officer*****:** Where the property attached is current coin or currency notes, the Tax Recovery Officer may, at any time during the continuance of the attachment, direct that such coins or notes shall be credited to the Central Government and the amount so credited shall be dealt with in the manner specified in sub-rule (8).

(48) ***Attachment*****:** The attachment of the immovable property of the defaulter shall be made by an order, prohibiting the defaulter from transferring or charging the property in any way and prohibiting all persons from taking any benefit under such transfer or charge.

(**49)** ***Service of notice of attachment*****:** A copy of the order of attachment shall be served on the defaulter.

(**50)** ***Proclamation of attachment*****:** The order of attachment shall be proclaimed at some place on or adjacent to the property attached, by any customary mode, and a copy of the order shall be affixed on a conspicuous part of the property and on the notice board of the office of the Tax Recovery Officer.

(51) ***Attachment to relate back from the date of service of notice*****:** Where any immovable property is attached under this rule, the attachment shall relate back to, and take effect from, the date on which the notice to pay the arrears, issued under this rule, was served upon the defaulter.

(52) ***Sale and proclamation of sale*****:**

(*a*) The Tax Recovery Officer may direct that any immovable property, which has been attached, or such portion thereof as may seem necessary to satisfy the certificate, shall be sold; and

(*b*) where any immovable property is ordered to be sold, the Tax Recovery Officer shall cause a proclamation of the intended sale to be made in the language of the district, where such immovable property is situated.

(53) ***Contents of proclamation*****:** A proclamation of sale of immovable property shall be drawn up after notice to the defaulter, and shall state the time and place of sale, and shall specify, as fairly and accurately as possible, —

(*a*) the property to be sold;

(*b*) the revenue, if any, assessed upon the property or any part thereof;

(*c*) the amount for the recovery of which the sale is ordered;

(*d*) the reserve price, if any, below which the property may not be sold; and

(*e*) any other thing which the Tax Recovery Officer considers it material for a purchaser to know, in order to judge the nature and value of the property.

(54) ***Mode of making proclamation*****:**

(*a*) Every proclamation for the sale of immovable property shall be made at some place on, or near, such property by beat of drum or other customary mode, and a copy of the proclamation shall be affixed on a conspicuous part of the property and also upon a conspicuous part of the office of the Tax Recovery Officer;

(*b*) where the Tax Recovery Officer so directs, such proclamation shall also be published in the Official Gazette or in a local newspaper, or in both, and the cost of such publication shall be deemed to be costs of the sale; and

(*c*) where the property is divided into lots for the purpose of being sold separately, it shall not be necessary to make a separate proclamation for each lot, unless proper notice of the sale cannot, in the opinion of the Tax Recovery Officer, otherwise be given.

(55) ***Time of sale*****:** No sale of immovable property in this rule shall, without the consent in writing of the defaulter, take place until after the expiration of at least thirty days, calculated from the date on which a copy of the proclamation of sale has been affixed on the property or in the office of the Tax Recovery Officer, whichever is later.

(56) ***Sale to be by auction*****:** The sale shall be by public auction to the highest bidder and shall be subject to confirmation by the Tax Recovery Officer, but no sale under this rule shall be made if the amount bid by the highest bidder is less than the reserve price, if any, specified under sub-rule (53)(*iv*).

(57) ***Deposit by purchaser and resale in default*****:**

(*a*) On every sale of immovable property, the person declared to be the purchaser shall pay, immediately after such declaration, a deposit of 25% on the amount of his purchase money, to the officer conducting the sale; and, in default of such deposit, the property shall forthwith be resold; and

(*b*) the full amount of purchase money payable shall be paid by the purchaser to the Tax Recovery Officer on or before the fifteenth day from the date of the sale of the property.

(58) ***Procedure in default of payment*****:** In default of payment within the period mentioned in sub-rule (57), the deposit may, if the Tax Recovery Officer thinks fit, after defraying the expenses of the sale, be forfeited to the Government, and the property shall be resold, and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold.

(59) ***Authority to bid*****:**

(*a*) Where the sale of a property, for which a reserve price has been specified under sub-rule (53)(*d*), has been postponed for want of a bid of an amount not less than such reserve price, it shall be lawful for an Assessing Officer, if so, authorised by Chief Commissioner or Commissioner in this behalf, to bid for the property on behalf of the Central Government at any subsequent sale;

(*b*) all persons bidding at the sale shall be required to declare, if they are bidding on their own behalf or on behalf of their principals and in the latter case, they shall be required to deposit their authority, and in default their bids shall be rejected; and

(*c*) where the Assessing Officer referred to in clause (*a*) is declared to be the purchaser of the property at any subsequent sale, nothing contained in sub-rule (57) shall apply to the case and the amount of the purchase price shall be adjusted towards the amount specified in the certificate.

(60) ***Application to set aside sale of immovable property on deposit*****:**

(*a*) Where immovable property has been sold in execution of a certificate, the defaulter, or any person whose interests are affected by the sale, may, at any time within thirty days from the date of the sale, apply to the Tax Recovery Officer to set aside the sale, on his depositing—

(*i*) the amount specified in the proclamation of sale as that for the recovery of which the sale was ordered, with interest thereon at the rate of 15% per annum, calculated from the date of the proclamation of sale to the date when the deposit is made; and

(*ii*) for payment to the purchaser, as penalty, a sum equal to 5% of the purchase money, but not less than Rs. 1; and

(*b*) where a person makes an application under sub-rule (61) for setting aside the sale of his immovable property, he shall not, unless he withdraws that application, be entitled to make or prosecute an application under this rule.

(61) ***Application to set aside sale of immovable property on ground of non-service of notice or irregularity*****:**

(*a*) Subject to the provisions of clauses (*b*) and (*c*), where any immovable property has been sold in execution of a certificate, such Income-tax Officer as may be authorised by the Chief Commissioner or Commissioner in this behalf, the defaulter, or any person whose interests are affected by the sale, may, at any time within thirty days from the date of the sale, apply to the Tax Recovery Officer to set aside the sale of the immovable property on the ground that notice was not served on the defaulter to pay the arrears as required by this rule or on the ground of a material irregularity in publishing or conducting the sale;

(*b*) no sale shall be set aside on any such ground unless the Tax Recovery Officer is satisfied that the applicant has sustained substantial injury by reason of the non-service or irregularity; and

(*c*) an application made by a defaulter under this rule shall be disallowed unless the applicant deposits the amount recoverable from him in the execution of the certificate.

(62) ***Setting aside sale where defaulter has no saleable interest*****:** At any time within thirty days of the sale, the purchaser may apply to the Tax Recovery Officer to set aside the sale on the ground that the defaulter had no saleable interest in the property sold.

(63) ***Confirmation of sale*****:**

(*a*) Where no application is made for setting aside the sale under the foregoing rules, or where such an application is made and disallowed by the Tax Recovery Officer, the Tax Recovery Officer shall (if the full amount of the purchase money has been paid) make an order confirming the sale, and, thereupon, the sale shall become absolute; and

(*b*) where such application is made and allowed, and if, in the case of an application made to set aside the sale on deposit of the amount, penalty and charges, the deposit is made within thirty days from the date of the sale, the Tax Recovery Officer shall make an order setting aside the sale, but, no order shall be made unless notice of the application has been given to the persons affected thereby.

(64) ***Return of purchase money in certain cases*****:** Where a sale of immovable property is set aside, any money paid or deposited by the purchaser on account of the purchase, together with the penalty, if any, deposited for payment to the purchaser, and such interest as the Tax Recovery Officer may allow, shall be paid to the purchaser.

(65) ***Sale certificate*****:**

(*a*) Where a sale of immovable property has become absolute, the Tax Recovery Officer shall grant a certificate specifying the property sold, and the name of the person who at the time of sale is declared to be the purchaser; and

(*b*) such certificate shall state the date on which the sale became absolute.

(66) ***Postponement of sale to enable defaulter to raise amount due under certificate*****:**

(*a*) Where an order for the sale of immovable property has been made, if the defaulter can satisfy the Tax Recovery Officer that there is reason to believe that the amount of the certificate may be raised by the mortgage or lease or private sale of such property, or some part thereof, or of any other immovable property of the defaulter, the Tax Recovery Officer may, on his application, postpone the sale of the property comprised in the order for sale, on such terms, and for such period as he thinks proper, to enable him to raise the amount;

(*b*) subject to provisions of clauses (*c*) and (*d*), in such case, the Tax Recovery Officer shall grant a certificate to the defaulter, authorising him, within a period to be mentioned therein, and irrespective of anything contained in this rule, to make the proposed mortgage, lease or sale;

(*c*) all moneys payable under such mortgage, lease or sale shall be paid, not to the defaulter, but to the Tax Recovery Officer; and

(*d*) no mortgage, lease or sale under this rule shall become absolute until it has been confirmed by the Tax Recovery Officer.

(67) ***Fresh proclamation before re-sale*****:** Every re-sale of immovable property, in default of payment of the purchase money within the period allowed for such payment, shall be made after the issue of a fresh proclamation in the manner and for the period hereinbefore provided for the sale.

(68) ***Bid of co-sharer to have preference*****:** Where the property sold is a share of undivided immovable property, and two or more persons, of whom one is a co-sharer, respectively bid the same sum for such property or for any lot, the bid shall be deemed to be the bid of the co-sharer.

(69) ***Acceptance of property in satisfaction of amount due from the defaulter*****:**

(*a*) Without prejudice to the provisions contained in this rule, an Assessing Officer, duly authorised by the Chief Commissioner of Income-tax or Commissioner of Income-tax in this behalf, may accept in satisfaction of the whole or any part of the amount due from the defaulter the property, the sale of which has been postponed for the reason mentioned in sub-rule (59)(*a*), at such price as may be agreed upon between the Assessing Officer and the defaulter;

(*b*) where any property is accepted under clause (*a*), the defaulter shall deliver possession of such property to the Assessing Officer and the date on which the possession of the property is delivered to the Assessing Officer, the property shall vest in the Central Government and that Government shall, where necessary, intimate the concerned Registering Officer appointed under the Registration Act, 1908 (16 of 1908), accordingly; and

(*c*) where the price of the property agreed upon under clause (*a*), exceeds the amount due from the defaulter, such excess shall be paid by the Assessing Officer to the defaulter within a period of three months from the date of delivery of possession of the property and where the Assessing Officer fails to pay such excess amount within the said period, the Central Government shall, for the period commencing on the expiry of such period and ending with the date of payment of the amount remaining unpaid, pay simple interest at 0.5% for every month or part of the month to the defaulter on such amount.

(70) ***Time limit for sale of attached immovable property*****:**

(*a*) Subject to the provisions of clauses (*b*) and (*c*), no sale of immovable property shall be made under this rule after the expiry of seven years from the end of the financial year in which the order giving rise to a demand of any tax, interest, fine, penalty or any other sum, for the recovery of which the immovable property has been attached, has become final in terms of the provisions of Chapter XVIII of the Act;

(*b*) the Board may, for reasons to be recorded in writing, extend the aforesaid period for a further period not exceeding three years;

(*c*) where the immovable property is required to be re-sold due to the amount of highest bid being less than the reserve price or under the circumstances mentioned in sub-rule (57) or sub-rule (58), or where the sale is set aside under sub-rule (61), the period of limitation for the sale of the immovable property shall stand extended by one year;

(*d*) subject to the provisions of clause (*e*), in computing the period of limitation under clause (*a*), the period—

(*i*) during which the levy of the tax, interest, fine, penalty or any other sum is stayed by an order or injunction of any court; or

(*ii*) during which the proceedings of attachment or sale of the immovable property are stayed by an order or injunction of any court; or

(*iii*) commencing from the date of the presentation of any appeal against the order passed by the Tax Recovery Officer under this rule and ending on the day the appeal is decided,

shall be excluded;

(e) in cases, where immediately after the exclusion of the period, the period of limitation for the sale of the immovable property is less than one hundred and eighty days, such remaining period shall be extended to one hundred and eighty days and the period of limitation shall be deemed to be extended accordingly;

(*f*) where any immovable property has been attached under this rule before the 1st June, 1992, and the order giving rise to a demand of any tax, interest, fine, penalty or any other sum, for the recovery of which the immovable property has been attached, has also become conclusive or final before the said date, that date shall be deemed to be the date on which the said order has become conclusive or, as the case may be, final; and

(*g*) where the sale of immovable property is not made in accordance with the provisions of clause (*a*), the attachment order in relation to the said property shall be deemed to have been vacated on the expiry of the time of limitation specified under this rule.

(71) ***Appointment of receiver for business*****:**

(*a*) Where the property of a defaulter consists of a business, the Tax Recovery Officer may attach the business and appoint a person as receiver to manage the business;

(*b*) attachment of a business under this rule shall be made by an order prohibiting the defaulter from transferring or charging the business in any way and prohibiting all persons from taking any benefit under such transfer or charge, and intimating that the business has been attached under this rule; and

(*c*) a copy of the order of attachment shall be served on the defaulter, and another copy shall be affixed on a conspicuous part of the premises in which the business is carried on and on the notice board of the office of the Tax Recovery Officer.

(72) ***Appointment of receiver for immovable property*****:** Where immovable property is attached, the Tax Recovery Officer may, instead of directing a sale of the property, appoint a person as receiver to manage such property.

(73) ***Powers of receiver*****:**

(*a*) Where any business or other property is attached and taken under management under this rule, the receiver shall, subject to the control of the Tax Recovery Officer, have such powers as may be necessary for the proper management of the property and the realisation of the profits, or rents and profits, thereof; and

(*b*) the profits, or rents and profits, of such business or other property, shall, after defraying the expenses of management, be adjusted towards discharge of the arrears, and the balance, if any, shall be paid to the defaulter.

(74) ***Withdrawal of management*****:** The attachment and management under this rule may be withdrawn at any time at the discretion of the Tax Recovery Officer, or if the arrears are discharged, by receipt of such profits and rents by the Tax Recovery Officer or are otherwise paid to him.

(75) ***Notice to show cause*****:**

(*a*) No order for the arrest and detention in civil prison of a defaulter shall be made unless the Tax Recovery Officer has issued and served a notice upon the defaulter calling upon him to appear before him on the date specified in the notice and to show cause why he should not be committed to the civil prison, and unless the Tax Recovery Officer, for reasons recorded in writing, is satisfied—

(*i*) that the defaulter, with the object or effect of obstructing the execution of the certificate, has, after the drawing up of the certificate by the Tax Recovery Officer, dishonestly transferred, concealed, or removed any part of his property; or

(*ii*) that the defaulter has, or has had since the drawing up of the certificate by the Tax Recovery Officer, the means to pay the arrears or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same;

(*b*) irrespective of anything contained in clause (*a*), a warrant for the arrest of the defaulter may be issued by the Tax Recovery Officer, if the Tax Recovery Officer is satisfied, by affidavit or otherwise, that with the object or effect of delaying the execution of the certificate, the defaulter is likely to abscond or leave the local limits of the jurisdiction of the Tax Recovery Officer;

(*c*) where appearance is not made in obedience to a notice issued and served under clause (*a*), the Tax Recovery Officer may issue a warrant for the arrest of the defaulter;

(*d*) a warrant of arrest issued by a Tax Recovery Officer under clauses (*b*) and (*c*), may also be executed by any other Tax Recovery Officer within whose jurisdiction the defaulter may, for the time being be found;

(*d*) every person arrested in pursuance of a warrant of arrest under this rule shall be brought before the Tax Recovery Officer issuing the warrant as soon as practicable and in any event, within twenty-four hours of his arrest (exclusive of the time required for the journey), but if the defaulter pays the amount entered in the warrant of arrest as due and the costs of the arrest to the officer arresting him, such officer shall at once release him; and

(*e*) for the purposes of this sub-rule, where the defaulter is a Hindu undivided family, the *karta* thereof shall be deemed to be the defaulter.

(76) ***Hearing*****:** When a defaulter appears before the Tax Recovery Officer in obedience to a notice to show cause or is brought before the Tax Recovery Officer under sub-rule (75), the Tax Recovery Officer shall give the defaulter a reasonable opportunity of showing cause why he should not be committed to the civil prison.

(77) ***Custody pending hearing*****:** Pending the conclusion of the inquiry, the Tax Recovery Officer may, in his discretion, order the defaulter to be detained in the custody of such officer as the Tax Recovery Officer may think fit or release him on his furnishing security to the satisfaction of the Tax Recovery Officer for his appearance when required.

(78) ***Order of detention*****:**

(*a*) Subject to the provisions of clause (*b*), upon the conclusion of the inquiry, the Tax Recovery Officer may make an order for the detention of the defaulter in the civil prison and shall in that event cause him to be arrested, if he is not already under arrest;

(*b*) in order to give the defaulter an opportunity of satisfying the arrears, the Tax Recovery Officer may, before making the order of detention, leave the defaulter in the custody of the officer arresting him or of any other officer for a specified period not exceeding fifteen days, or release him on his furnishing security to the satisfaction of the Tax Recovery Officer for his appearance at the expiration of the specified period, if the arrears are not so satisfied; and

(*c*) when the Tax Recovery Officer does not make an order of detention under clause (*a*), he shall, if the defaulter is under arrest, direct his release.

(79) ***Detention in and release from prison*****:**

(*a*) Subject to provisions of clause (*b*), every person detained in civil prison in execution of a certificate, may be so detained,—

(*i*) where the certificate is for a demand of an amount exceeding two hundred and fifty rupees, for a period of six months; and

(*ii*) in any other case, for a period of six weeks;

(*b*) the aforesaid person shall be released from such detention,—

(*i*) on the amount mentioned in the warrant for his detention being paid to the officer-in-charge of the civil prison; or

(*ii*) on the request of the Tax Recovery Officer on any ground other than the grounds mentioned in sub-rules (80) and (81); and

(*c*) a defaulter released from detention under this rule shall not, merely by reason of his release, be discharged from his liability for the arrears, but he shall not be liable to be rearrested under the certificate in execution of which he was detained in the civil prison.

(80) ***Release*****:**

(*a*) The Tax Recovery Officer may order the release of a defaulter who has been arrested in execution of a certificate upon being satisfied that he has disclosed the whole of his property and has placed it at the disposal of the Tax Recovery Officer and that he has not committed any act of bad faith; and

(*b*) if the Tax Recovery Officer has ground for believing that the disclosure made by a defaulter under clause (*a*) is untrue, he may order the rearrest of the defaulter in execution of the certificate, but the period of his detention in the civil prison shall not in the aggregate exceed that authorised by sub-rule (79).

(81) ***Release on ground of illness*****:**

(*a*) At any time after a warrant for the arrest of a defaulter has been issued, the Tax Recovery Officer may cancel it on the ground of his serious illness;

(*b*) where a defaulter has been arrested, the Tax Recovery Officer may release him if, in the opinion of the Tax Recovery Officer, he is not in a fit state of health to be detained in the civil prison;

(*c*) where a defaulter has been committed to civil prison, he may be released therefrom by the Tax Recovery Officer on the ground of the existence of any infectious or contagious disease, or on the ground of his suffering from any serious illness; and

(*d*) a defaulter released under this rule may be rearrested, but the period of his detention in the civil prison shall not in the aggregate exceed that authorised by sub-rule (79).

(82) ***Entry into dwelling house*****:** For the purpose of making an arrest under this rule—

(*i*) no dwelling house shall be entered after sunset and before sunrise;

(*ii*) no outer door of a dwelling house shall be broken open unless such dwelling house or a portion thereof is in the occupancy of the defaulter and he or other occupant of the house refuses or in any way prevents access thereto; but, when the person executing any such warrant has duly gained access to any dwelling house, he may break open the door of any room or apartment, if he has reason to believe that the defaulter is likely to be found there; and

(*iii*) no room, which is in the actual occupancy of a woman who, according to the customs of the country, does not appear in public, shall be entered into unless the officer authorised to make the arrest has given notice to her that she is at liberty to withdraw and has given her reasonable time and facility for withdrawing.

(83) ***Prohibition against arrest of women or minors, etc*****:** The Tax Recovery Officer shall not order the arrest and detention in civil prison of—

(*i*) a woman; or

(*ii*) any person who, in his opinion, is a minor or of unsound mind.

(84) ***Officers deemed to be acting judicially :*** Every Chief Commissioner of Income-tax or Commissioner of Income-tax, Tax Recovery Officer or other officer acting under this rule shall, in the discharge of his functions, be deemed to be acting judicially within the meaning of the Judicial Officers Protection Act, 1850 (18 of 1850) or the Judges Protection Act, 1985 (59 of 1985).

(85) ***Power to take evidence*****:** Every Chief Commissioner of Income-tax or Commissioner of Income-tax, Tax Recovery Officer or other officer acting under the provisions of this rule shall have the powers of a Civil Court (while trying a suit) for the purpose of receiving evidence, administering oaths, enforcing the attendance of witnesses and compelling the production of documents.

(86) ***Continuance of certificate*****:** No certificate shall cease to be in force by reason of the death of the defaulter.

(87) ***Procedure on death of defaulter*****:** If at any time, after the certificate is drawn up by the Tax Recovery Officer, the defaulter dies, the proceedings in this rule (except arrest and detention) may be continued against the legal representative of the defaulter, and the provisions of this rule shall apply, as if the legal representative were the defaulter.

(88) ***Appeals*****:**

(*a*) An appeal from any original order passed by the Tax Recovery Officer under this rule, not being an order which is conclusive, shall lie to the Chief Commissioner of Income-tax or Commissioner of Income-tax;

(*b*) every appeal under this rule shall be presented within thirty days from the date of the order appealed against;

(*c*) pending the decision of any appeal, execution of the certificate may be stayed, if the appellate authority so directs, but not otherwise; and

(*d*) irrespective of anything contained in clause (*a*), where a Chief Commissioner of Income-tax or Commissioner of Income-tax is authorised to exercise powers as such in respect of any area, then, all appeals against the orders passed before the date of such authorisation by any Tax Recovery Officer, authorised to exercise powers as such in respect of that area, or an area which is included in that area, shall lie to such Chief Commissioner of Income-tax or Commissioner of Income-tax.

(89) ***Review*****:** Any order passed under this rule may, after notice to all persons interested, be reviewed by the Chief Commissioner of Income-tax or Commissioner of Income-tax or Tax Recovery Officer or other officer who made the order, or by his successor in office, on account of any mistake apparent from the record.

(90) ***Recovery from surety*****:** Where any person under this rule has become surety for the amount due by the defaulter, he may be proceeded against in this rule as if he were the defaulter.

(91) ***Subsistence allowance*****:**

(*a*) When a defaulter is arrested or detained in the civil prison, the sum payable for the subsistence of the defaulter from the time of arrest until he is released shall be borne by the Tax Recovery Officer;

(*b*) such sum shall be calculated on the scale fixed by the State Government for the subsistence of judgment-debtors arrested in execution of a decree of a Civil Court; and

(*c*) sums payable under this sub-rule shall be deemed to be costs in the proceeding, but the defaulter shall not be detained in the civil prison or arrested on account of any sum so payable.

(92) ***Forms*****:** The Board may specify the form to be used for any order, notice, warrant, or certificate to be issued under this rule.

(93) ***Power to issue guidelines*****:**

(*a*) The Board may issue guidelines, consistent with the provisions of the Act to regulate the procedure to be followed by the Chief Commissioner of Income-tax or Commissioner of Income-tax, Tax Recovery Officers and other officers acting under this rule;

(*b*) In particular, and without prejudice to the generality of the power conferred by clause (*a*), such order may provide for all or any of the following matters: —

- (*i*) the area within which Chief Commissioners or Commissioners or Tax Recovery Officers may exercise jurisdiction;
- (*ii*) the manner in which any property sold in this rule may be delivered;
- (*iii*) the execution of a document or the endorsement of a negotiable instrument or a share in a corporation, by or on behalf of the Tax Recovery Officer, where such execution or endorsement is required to transfer such negotiable instrument or share to a person who has purchased it under a sale in this rule;
- (*iv*) the procedure for dealing with resistance or obstruction offered by any person to a purchaser of any immovable property sold in this rule, in obtaining possession of the property;
- (*v*) the fees to be charged for any process issued in this rule;
- (*vi*) the scale of charges to be recovered in respect of any other proceeding taken in this rule;
- (*vii*) recovery of poundage fee;
- (*viii*) the maintenance and custody, while under attachment, of livestock or other movable property, the fees to be charged for such maintenance and custody, the sale of such livestock or property, and the disposal of proceeds of such sale; and
- (*ix*) the mode of attachment of business.

(94) ***Saving regarding charge*****:** Nothing specified in this rule shall affect any provision of the Act, whereunder the tax is a first charge upon any asset.

(95) ***Power to remove difficulties*****:** If any difficulty arises in carrying out the proceedings for the recovery of tax, the Board may issue general or special orders, which appear to it to be necessary or expedient for the purpose of removing the difficulty.

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Tax recovery officer to exercise or perform certain powers and functions of an Assessing Officer under section 413.

226. (1) The Chief Commissioner of Income-tax or the Commissioner of Income-tax may, by general or special order in writing, authorise a Tax Recovery Officer to exercise or perform the powers and functions conferred on or assigned to an Assessing Officer under section 287 for rectifying any mistake apparent from record, in respect of an order passed by the Assessing Officer, consequent to which a sum is payable and the Tax Recovery Officer has drawn a certificate under section 413 in respect of such sum.

(2) The Tax Recovery Officer shall exercise or perform such powers and functions concurrently with the Assessing Officer.

Prescribed authority for tax clearance certificates under section 420.

227. (1) For the purposes of section 420(1), the prescribed authority shall be the Chief Commissioner of Income-tax or the Director-General of Income-tax, as the case may be, who has jurisdiction over the persons not domiciled in India or any other income-tax authority authorised by such Chief Commissioner of Income-tax or Director-General of Income-tax in this behalf.

(2) For the purposes of section 420(3), the prescribed authority shall be the Chief Commissioner of Income-tax having jurisdiction over the persons domiciled in India or any other income-tax authority authorised by him in this behalf.

(3) For the purposes of section 420(5), an application for certificate shall be filed to the Assessing Officer who has jurisdiction to assess such person.

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Forms and certificates for the purposes of section 420.

228. (1) An undertaking to be furnished to the prescribed authority by a person not domiciled in India from the persons referred to in clause (*i*) or (*ii*) of the longline in section 420(1), as the case may be, shall be in Form No. 154.

(2) A no-objection certificate to be issued by the prescribed authority under section 420(1) shall be in Form No. 155 and shall be valid for the period mentioned therein.

(3) The information to be furnished by a person domiciled in India shall be in Form No. 156.

(4) Every application under section 420(4) shall be made in Form No. 157

(5) Every application under section 420(5) may be made in Form No. 158.

(6) A tax clearance certificate issued under section 420(5) shall be in Form No. 159 and shall be valid for the period mentioned therein.

(7) A copy of the undertaking referred to in sub-rule (1) and the no-objection certificate referred to in sub-rule (2) shall be forwarded to the Chief Commissioner of Income-tax or Director General of Income-tax, as the case may be, having jurisdiction over the persons referred to in section 420(1).

Production of certificate under section 420.

229. [1][***] Any person leaving India shall, at the request of any Customs Officer, produce to him for examination, the tax clearance certificate or the exemption certificate, as the case may be.

1. As corrected by Corrigendum G.S.R. 286(E) [No. 64/2026/F. No. 370142/41/2025-TPL], dated 16-4-2026, w.e.f. **16-4-2026**.

Refund claim under section 434.

230. A claim for refund under section 434 shall be made in Form No. 160, by the claimant himself or through a duly authorised agent, and shall be accompanied by a copy of an agreement or other arrangement referred to in section 434.

Form of application under section 440.

231. An application to the Assessing Officer to grant immunity from imposition of penalty under section 439 and from initiation of proceedings under section 478 or section 479 shall be made in Form No. 161.

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Service of notice, summons, requisition, order and other communication under section 501.

232. (1) For the purposes of section 501(1), the addresses (including the address for electronic mail or electronic mail message) to which a notice, or summons, or requisition, or order, or any other communication, under the Act (herein referred to as the communication) may be delivered or transmitted, shall be as per sub-rule (2).

(2) The addresses referred to in sub-rule (1)—

(*a*) for any communication delivered or transmitted in the manner provided under section 501(1)(*a*) or (*b*) shall be—
- (*i*) the address available in the PAN database of the addressee; or
- (*ii*) the address given in the income-tax return to which the communication relates; or
- (*iii*) the address available in the last income-tax return furnished by the addressee; or
- (*iv*) the address of the assessee as furnished in Form No. 98 under rule 160 or Form 165 under rule 237; or
- (*v*) in the case of addressee being a company, the address of the registered office as given on the website of the Ministry of Corporate Affairs; or
- (*vi*) the address available in the records of Unique Identification Authority of India or any authority or Department of Central Government or State Government or Local Self Government; or
- (*vii*) the address available in the records of any public service; utility provider; or
- (*viii*) the address furnished in any correspondence with any of the authorities or entities mentioned in sub-clauses (*vi*) and (*vii*),

but such communication shall not be delivered or transmitted to the address mentioned in items (*i*) to (*viii*), where the addressee furnishes in writing any other address for the purposes of communication to the income-tax authority or any person authorised by such authority issuing the communication;

(*b*) for any communication delivered or transmitted electronically shall be—
- (*i*) the e-mail address available in the income-tax return furnished by the addressee to which the communication relates; or
- (*ii*) the e-mail address available in the last income-tax return furnished by the addressee; or
- (*iii*) the registered mail address available in the e-filing portal of the assessee; or
- (*iv*) the e-mail address given while making application for PAN; or
- (*v*) in the case of addressee being a company, the e-mail address of the company as available on the website of Ministry of Corporate Affairs; or
- (*vi*) any e-mail address given by the addressee to the income-tax authority or any person authorised by such income-tax authority; or
- (*vii*) the e-mail address available in the records.

(3) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall specify the procedure, formats and standards for ensuring secure transmission of electronic communication and shall also be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to such communication.

Authentication of notices and other documents.

233. (1) Every notice or other document communicated in electronic form by an income-tax authority under the Act shall be deemed to be authenticated,—

(*a*) in case of electronic mail or electronic mail message (herein referred to as the e-mail), if the name and office of such income-tax authority—
  (*i*) is printed on the e-mail body and if the notice or other document is in the e-mail body itself; or
  (*ii*) is printed on the attachment to the e-mail and if the notice or other document is in the attachment,
  and the e-mail is issued from the designated e-mail address of such income-tax authority;

(*b*) in case of an electronic record, if the name and office of the income-tax authority—
  (*i*) is displayed as a part of the electronic record and if the notice or other document is contained as text or remark in the electronic record itself; or
  (*ii*) is printed on the attachment in the electronic record and if the notice or other document is in the attachment,

and such electronic record is displayed on the designated website.

(2) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall specify the designated e-mail address of the income-tax authority, the designated website and the procedure, formats and standards for ensuring authenticity of the communication.

(3) For the purposes of this rule, the expressions—

(*a*) "electronic mail" and "electronic mail message" shall have the same meanings as respectively assigned to them in the *Explanation* to section 66A of the Information Technology Act, 2000 (21 of 2000); and

(*b*) "electronic record" shall have the same meaning as assigned to it in section 2(1)(*t*) of the said Act.

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Furnishing of annual statement by a non-resident having liaison office in India.

234. (1) The annual statement as provided under section 505 for every financial year, shall be furnished in Form No. 162 within eight months from the end of such financial year.

(2) The annual statement referred to in sub-rule (1) shall be furnished in electronic form along with digital signature, duly verified by the Chartered Accountant or the person authorised in this behalf by the non-resident person, who shall be known as the authorised signatory.

Information or documents to be furnished under section 506.

235. (1) Every Indian concern referred to in section 506 shall, for the purposes of the said section, maintain and furnish the information and documents in accordance with this rule.

(2) The information shall be furnished in Form No. 163, electronically under digital signature to the Assessing Officer having jurisdiction over the Indian concern, within a period of ninety days from the end of the financial year in which any transfer of the share of, or interest in, foreign company or entity referred to in section 9(10)(*a*) has taken place and where such transaction in respect of the share or the interest has the effect of directly or indirectly transferring the rights of management or control in relation to the Indian concern, the information shall be furnished in the said form within ninety days of that transaction.

(3) The Indian concern shall maintain the following along with its english translation, as required, and produce the same when called upon to do so by any income-tax authority in the course of any proceeding to substantiate the information furnished under sub-rule (2):—

(*a*) details of the immediate holding company or entity, intermediate holding company or companies or entity or entities and ultimate holding company or entity of the Indian concern;
(*b*) details of other entities in India of the group of which the Indian concern is a constituent;
(*c*) the holding structure of the shares of, or the interest in, the foreign company or entity before and after the transfer;
(*d*) any transfer contract or agreement entered into in respect of the share of, or interest in, any foreign company or entity that holds any asset in India through, or in, the Indian concern;
(*e*) financial and accounting statements of the foreign company or entity which directly or indirectly holds the assets in India through, or in, the Indian concern for two years prior to the date of transfer of the share or interest;
(*f*) information relating to the decision or implementation process of the overall arrangement of the transfer;
(*g*) information in respect of the foreign company or entity and its subsidiaries, relating to —
  (*i*) the business operation;
  (*ii*) personnel;
  (*iii*) finance and properties;
  (*iv*) internal and external audit or the valuation report, if any, forming basis of the consideration in respect of share, or the interest;
(*h*) the asset valuation report and other supporting evidence to determine the place of location of the share or interest being transferred;
(*i*) the details of payment of tax outside India, which relates to the transfer of the share or interest;
(*j*) the valuation report in respect of Indian asset and total assets duly certified by a merchant banker or accountant, as defined in section 515(3)(*b*), with supporting evidence; and
(*k*) documents which are issued in connection with the transactions under the accounting practices followed.

(4) Where there is more than one Indian concern that are constituent entities of a group, the information may be furnished by any one Indian concern, if, —

(*a*) the group has designated such Indian concern to furnish information on behalf of all other Indian concerns that are constituent of the group; and
(*b*) the information regarding the designated Indian concern has been conveyed in writing on behalf of the group to the Assessing Officer.

(5) Nothing contained in this rule shall have effect, if the designated Indian concern fails to furnish the information in accordance with the provisions of this rule.

(6) The Director General of Income-tax (Systems) shall send one copy of the Form No. 163 to the Assessing Officer having jurisdiction over the transferor mentioned therein, whose income is chargeable to tax as per section 9(10).

(7) The information and documents specified in sub-rule (3) shall be kept and maintained for a period of eight years from the end of relevant tax year.

(8) For the purposes of this rule, —

(*a*) "constituent entity" shall have the meaning assigned to it in section 511(10)(*d*);
(*b*) "group" shall have the meaning assigned to it in section 511(10)(*e*);
(*c*) "immediate holding company or entity" means the company or the entity that directly maintains the controlling interest in the Indian concern;
(*d*) "intermediate holding company or entity" means a company or an entity that has controlling interest in another company or entity and is itself controlled by, or is subsidiary of, another company or entity; and
(*e*) "ultimate holding company or entity" means a company or an entity that has ultimate control of the Indian concern, directly or indirectly, and such company or entity is not itself controlled by, or is subsidiary of, any other company or entity.

Form of statement to be furnished by producers of cinematograph films or persons engaged in specified activity.

236. (1) The statement required to be furnished under section 507 by a person carrying on production of cinematograph film or engaged in specified activity, or both, shall be in Form No. 164 for each tax year.

(2) Form No. 164 shall be furnished within sixty days from the end of the tax year.

(3) For the purpose of section 507, the prescribed authority shall be the Director General of Income-tax (Systems) or any person authorised by him.

(4) The Director General of Income-tax (Systems) or any person authorised by him shall forward Form No. 164 to the Assessing Officer.

(5) For the purposes of this rule, "specified activity" shall have the meaning assigned to it in section 507(3).

Furnishing of statement of financial transaction.

237. (1) The statement of financial transaction required to be furnished under section 508(1) shall be furnished in respect of all transactions as specified in sub-rule (2) in a financial year in Form No. 165 and shall be verified in the manner indicated therein.

(2) The statement referred to in sub-rule (1) shall be furnished by every person mentioned in column (4) of the following Table in respect of all the transactions of the nature specified in the corresponding entry in column 2 and the value specified in the corresponding entry in column 3 of the said Table, in accordance with the provisions of sub-rule (3), which are registered or recorded by him:

TABLE

Sl. No.	*Nature of transaction*	*Value of transaction*	*Class of person (reporting person)*
1	*2*	*3*	*4*
1.	(*a*) Payment made in cash for purchase of bank drafts or pay orders or banker's cheque.	Amount, in a financial year in one or more account of a person, aggregating to,— (*a*) ten lakh rupees or more, for a person having Permanent Account Number; or (*b*) Rs. 5,00,000 or more, for a person not having Permanent Account Number.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act).
	(*b*) Payments made in cash or otherwise for purchase of pre-paid instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).	Amount aggregating to ten lakh rupees or more during the financial year.	
	(*c*) Cash deposits or cash withdrawals (including through bearer's cheque) in or from one or more current account of a person.	Amount aggregating to fifty lakh rupees or more in a financial year.	
2.	Cash deposits in one or more accounts (other than a current account and time deposit) of a person.	Cash deposits in a financial year in one or more account of a person, aggregating to- (*a*) ten lakh rupees or more for a person having Permanent Account Number; or (*b*) Rs. 5,00,000 or more for a person not having Permanent Account Number.	(*a*) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act); or (*b*) Post Master General as referred to in section 2(*j*) of the Indian Post Office Act, 1898 (6 of 1898) (as it existed prior to its repeal) or the Regional Head as referred in the Post Office Rules, 2024 framed under the Post Office Act, 2023 (43 of 2023).
3.	One or more time deposits (other than a time deposit made through renewal of another time deposit) of a person.	Amount aggregating to ten lakh rupees or more in a financial year, for a person.	(*a*) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act); or (*b*) Post Master General as referred to in section 2(*j*) of the Indian Post Office Act, 1898 (6 of 1898) (as it existed prior to its repeal) or the Regional Head as referred in the Post Office Rules, 2024 framed under the Post Office Act, 2023 (43 of 2023); or (*c*) Nidhi referred to in section 406 of the Companies Act, 2013 (18 of 2013); or (*d*) a non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.
4.	Payments made by any person against bills raised in respect of one or more credit cards issued to that person, in a financial year.	Amount aggregating to— (*i*) Rs. 1,00,000 or more, in cash; or (*ii*) ten lakh rupees or more, by any other mode.	A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act) or any other company or institution issuing credit card.
5.	Receipt from any person for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company)	Amount aggregating to ten lakh rupees or more in a financial year, for a person.	A company or institution issuing bonds or debentures.